

Secretary of Agriculture Mike Johanns  
Farm Bill  
1400 Independence Avenue, SW  
Washington, D. C. 20250-3355

October 12, 2005

Dear Secretary Johanns:

I am a "farm wife" who manages the finances on our farm in Southwest Nebraska. We raise corn, wheat, soybeans and native grass seed on both irrigated and dryland acres. I have been an agriculture producer for 12 years, while my husband has farmed for 35 years. In addition, I have a Masters in Business Administration which allows me to pursue off-the-farm employment when desired. We are 15-20 years away from retirement.

In response to your questions regarding the 2007 Farm Bill I would like to propose a bold change. It would save the government money by reducing farm program payments, loan deficiency payments, disaster payments and countercyclical payments, as well as, reducing administrative costs. It would also benefit young farmers, keep us competitive on the world market, protect the environment and encourage rural development.

My proposal is for the Farm Service Program to be eliminated. This would include the direct program payments, the loan program and deficiency payments and the countercyclical payments. I would also eliminate (or substantially reduce) the employees under this program. I would keep the disaster program, but only to the extent that it would provide assistance to rebuild devastated acres so that they are farmable again (e.g., bridges, culverts, clearing debris, etc.). Insurance is available to cover crop loss. The producer should be responsible for those losses by insuring the acres or out of his/her own pocket.

How will this benefit the farmer, you ask? On the benefit side, I'd ask that a minimum price for grain commodities be set worldwide at a profitable level for the growers (i.e., the U.S. 2005 prices might be \$2.50 corn, \$3.50 wheat, \$6.00 soybeans) around the world. The U.S. farmers are not the only ones who cannot afford to farm. This year's 50% to 200% increase in crop inputs (seed, fertilizer, chemicals, fuel, and irrigation energy) will result in another round of bankrupt farmers if the price they receive for their crops, plus the government subsidies, do not increase accordingly. I do not believe the government can afford nor wishes to increase program payments.

Farmers are not responsible for the low commodity prices. Governments around the world have created so many laws that the true cost of raising the crops does not compare to the price received. The cost of our breakfast cereal has increased significantly, while the farmer receives only pennies for the grain that is the major part of the product. Marketing of the products and costs of creating the cereals and breads in the factories have received the benefit of the price increases. The costs of meat and most food products in the grocery stores have seen substantial increases. Yet farmers are forced to accept the same price as in the 1950's for their commodities due to government policies.

I feel this minimum price support benefits the beginning farmer. S/he can enter the farming profession with a good chance at succeeding if s/he does his job well. Those who are poor managers will fail just as in any other business—and should not be rescued by government farm program funding. I would continue supporting the beginning farmer with federally guaranteed loans *through the local banks*, not through the FSA Ag Credit system.

This plan allows the U.S. to compete directly with other nations based on the cost of production and transportation, not government policies and trade restrictions. Our ability to research the marketplace,

develop appropriate products and market those products will provide our competitive advantage. It is also fair to individual producers. The elimination of assistance payments means everyone competes based on their business acumen.

There are several impacts nationally and worldwide that would have to be addressed.

1) How will poorer nations afford the increase in costs of their food? I would suggest that increasing the commodity prices helps their farmers, also. In addition, much food is donated to these countries already. The actual impact to their economies may not be as great as anticipated.

2) Commodity futures markets may react with wide swings if this policy is implemented. Mechanisms to control these swings may need to be addressed. On the other hand, the futures markets themselves may move those commodity prices to (or close to) profitable levels once this plan is in the works.

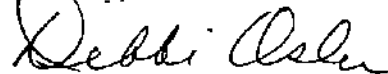
3) The loss of jobs by the federal employees would have a tremendous impact in the local communities. I would suggest directing some of the administrative savings toward increased rural development. New jobs, new enterprises, paved roads and improved housing all would be of value in keeping residents in or attracting residents to rural communities. Do not create any more development entities! Consolidate and fund the ones that already exist. Locally we have: community/economic development committees, SW Nebraska Community Betterment, SW Nebraska Development Network, SW Nebraska RC&D, West Central Nebraska Development, S.C.O.R.E., Nebraska Business Development Center, Nebraska Department of Economic Development and Hometown Competitiveness.

4) The elimination of the many program payments could allow funding to be directed toward NRCS programs to protect and improve the quality of our natural resources. Additional monies could go toward product development, marketing and research aspects the agriculture industry. Reductions in the federal deficit could also be addressed.

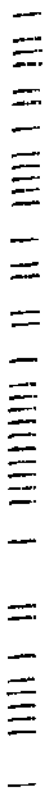
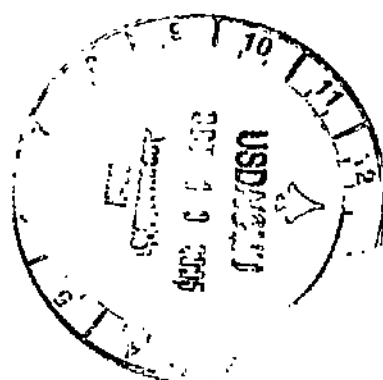
Obviously, my plan would require much agreement within the Bush administration, the Congress and internationally. It will take time. I believe it is the rare farmer who would prefer government handouts to earning his own living. The difficulty will be in moving from the current system to my proposed system. It will be similar to the end of slavery. We are comfortable with the imperfect system we know and too scared to move forward without a security blanket.

Thank you for your interest in my thoughts. I pray for your wisdom and courage as you plan for the future of the American agriculture producer.

Sincerely,

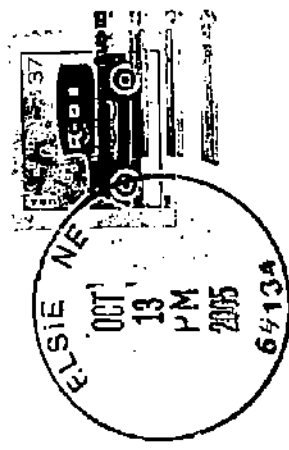


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